

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER
Adopted by the Board of Directors of Data I/O Corporation on March 8, 2012

PURPOSE

The purposes of the Corporate Governance and Nominating Committee of the Board of Directors (the “Board”) are:

- develop, recommend to the Board and monitor a set of corporate governance principles applicable to Data I/O;
- identify and recommend individuals to the Board for nomination as members of the Board and its Committees;
- review and recommend Board compensation; and
- any related matters required by federal securities laws.

COMPOSITION

The Committee will consist solely of three or more members of the Board appointed from time to time by the Board. Subject to the exception in the following paragraph, the Committee will consist solely of directors who meet the independence requirements of the Securities and Exchange Commission, the NASDAQ Stock Market Inc. and who the Board has determined have no material relationship with Data I/O, which, in the opinion of Data I/O’s Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Members of the Committee are subject to removal at any time by a majority of the Board. Any resulting vacancy may be filled by the Board.

At any time the Board appoints one or more directors to the Committee who are not independent as set forth in the preceding paragraph, and until such time that the Committee is again composed solely of independent directors, then the director nominees shall not be recommended to the Board by this Committee, but shall be recommended for the Board’s selection by a majority of the independent directors of the Board in a Board vote in which only independent directors participate. However, the Committee shall retain all other duties and responsibilities apart from those associated with the recommendation of the director nominees to the Board.

DUTIES AND RESPONSIBILITIES

The Committee shall have the following duties and responsibilities:

1. develop and recommend to the Board a set of corporate governance principles and a code of business conduct and ethics for Data I/O;
2. monitor compliance with Data I/O's corporate governance principles and code of business conduct and ethics and recommend to the Board revisions to such principles and code;
3. periodically reassess Data I/O's corporate governance principles and code of business conduct and ethics and recommend to the Board revisions to such principles and code;
4. oversee periodic evaluation of the Board, the Board's committees and executive management;

5. develop and recommend criteria for the selection of new directors to the Board, including, but not limited to diversity, age, skills, experience, time availability (including the number of other boards he or she sits on in the context of the needs of the Board and Data I/O) and such other criteria as the Committee shall determine to be relevant at the time. The Committee shall have the power to apply the standards for independence imposed by Data I/O's listing agreement with the NASDAQ stock market and all applicable federal laws and the underlying purpose and intent in connection with such identification process. When vacancies occur or otherwise at the direction of the Board, the Committee shall actively seek individuals whom the Committee determines meet such criteria and standards for recommendation to the Board, including properly submitted and qualified nominees recommended by Data I/O's shareholders;
6. retain and terminate any search firm to be used to identify director candidates and shall have authority to approve the search firm's fees and other retention terms, at Data I/O's expense;
7. if the Committee consists solely of independent directors, recommend to the Board, on an annual basis, nominees for election as directors for the next annual meeting of shareholders;
8. recommend to the Board the nominees for appointment to Committees of the Board on at least an annual basis;
9. develop and recommend to the Board standards to be applied in making determinations as to the absence of material relationships between Data I/O and a director;
10. conduct a periodic performance evaluation of the Committee;
11. provide regular reports of its activities to the Board;
12. review and reassess periodically the adequacy of this Charter and recommend any proposed changes to the Board for approval;
13. evaluate and recommend any changes to Board and Committee meeting policies and logistics;
14. consider and recommend changes in the size of the Board, Board Committee structure and delegate responsibilities to be included in the Charter of each Board Committee; and
15. periodically review the independence of the Board, the Chief Executive Officer and the Chief Financial Officer.

MEETINGS

The Committee will meet once annually, or more frequently as circumstances dictate. A majority of the members of the Committee will constitute a quorum for the transaction of business. Minutes of each meeting will be compiled by Data I/O's Corporate Secretary or General Counsel who shall act as Secretary to the Committee, or in their absence any other person designated by the Committee.

RESOURCES AND AUTHORITY

The Committee will have the resources and authority appropriate to discharge its responsibilities, including the authority to use internal personnel. The Committee will have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors. The Committee and each member of the Committee in his or her capacities as such, shall be entitled to rely, in good faith, on information, opinions, reports or statements, or other information prepared or presented to them by (i) officers and other employees of Data I/O, whom such member believes to be reliable and competent in the matters presented, (ii) counsel, public accountants or other persons as to matters which the member believes to be within the professional competence of such person.

The Committee may delegate its authority to subcommittees established by the Committee from time to time, which subcommittees will consist of one or more members of the Committee and will report to the Committee.